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ELLSWORTH C. ALVORD (1964)

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RECORDATION NO. 14844-4 FILED

AUG 21 '01 12:31 PM

SURFACE TRANSPORTATION BOARD

OF COUNSEL  
URBAN A. LESTER

August 21, 2001

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) copies of a Memorandum of Security Agreement, dated as of August 21, 2001, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the documents and equipment previously filed with the Commission under Recordation Number 14844.

The names and addresses of the parties to the enclosed document are:

Owner Trustee: First Union National Bank  
(successor to Meridian Trust  
Company)  
1 Rodney Square  
920 King Street Ste. 102  
Wilmington, DE 19801

Collateral Trustee: Wilmington Trust Company  
1100 North Market Street  
Wilmington, Delaware 19890

Mr. Vernon A. Williams  
August 21, 2001  
Page Two

A description of the railroad equipment covered by the enclosed document is:

8 locomotives bearing UP reporting marks (formerly CNW) and road number attached hereto.

A short summary of the document to appear in the index follows:

Memorandum of Security Agreement

Also enclosed is a check in the amount of \$28.00 payable to the order of the Surface Transportation Board covering the required recordation fee and cross-indexing fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alvord", with a stylized flourish at the end.

Robert W. Alvord

RWA/anm  
Enclosures

Eight (8) SD-50 diesel electric locomotives

<u>Original CNW Number</u>	<u>Current UP Number</u>
7005	5065
7012	5072
7015	5075
7016	5076
7017	5077
7019	5079
7030	5090
7034	5094

## MEMORANDUM OF SECURITY AGREEMENT

This Memorandum of Security Agreement, made and entered into as of August 21, 2001, by and between FIRST UNION NATIONAL BANK, not in its individual capacity but solely as Owner Trustee under Trust Agreement No. 1, dated as of September 1, 1985 (the "Trust Agreement"), among FINOVA Capital Corporation (as assignee of Manufacturer's Hanover Leasing Corporation ) and the Owner Trustee (as successor to Meridian Trust Company) ("Owner Trustee") and WILMINGTON TRUST COMPANY, not in its individual capacity, but solely as trustee under a Collateral Trust Agreement dated as of August 21, 2001 ("Collateral Trustee").

### WITNESSETH:

Each of the undersigned have entered into that certain Security Agreement dated August 21, 2001, by and between Owner Trustee and Collateral Trustee (said agreement being referred to herein as the "Security Agreement"). By the Security Agreement, Owner Trustee has granted to Collateral Trustee a first priority security interest in all of the rail equipment described in Schedule I hereto.

Notwithstanding any other provision herein or elsewhere, this Memorandum of Security Agreement has been executed and delivered by First Union National Bank ("First Union"), not in its individual capacity, but solely as Owner Trustee under the Trust Agreement, in no event shall First Union have any liability in respect of the covenants, agreements, representations, warranties, or obligations of the Owner Trustee hereunder or under the Security Agreement, as to all of which recourse shall be had solely to the Trust Estate (as defined in the Trust Agreement), and for all purposes the Owner Trustee and First Union shall be entitled to the benefits of the Trust Agreement.

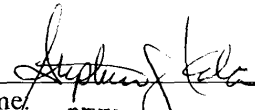
RECORDATION NO. 14844-H FILED

AUG 21 '01 : 2:31 PM

SURFACE TRANSPORTATION BOARD

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum of Security Agreement to be executed by their respective, duly-authorized officers as of the day and year first above written.

FIRST UNION NATIONAL BANK, not in its individual capacity but solely as Owner Trustee

By   
Name: \_\_\_\_\_  
Title: STEPHEN J. KABA  
VICE PRESIDENT

WILMINGTON TRUST COMPANY,  
as Collateral Trustee

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum of Security Agreement to be executed by their respective, duly-authorized officers as of the day and year first above written.

FIRST UNION NATIONAL BANK, not in its individual capacity but solely as Owner Trustee

By \_\_\_\_\_  
Name:  
Title:

WILMINGTON TRUST COMPANY,  
as Collateral Trustee

By   
Name: Steven Cimato  
Title: Vice President

STATE OF Delaware )  
 ) SS  
COUNTY OF New Castle )

On this 20<sup>th</sup> day of August, 2001, in New Castle County, Delaware,  
before me personally appeared STEPHEN J. KABA, to me personally known,  
who, being by me duly sworn, says that he/she is the  
VICE PRESIDENT of FIRST UNION NATIONAL BANK, that the  
foregoing instrument was signed on behalf of said corporation by authority of its  
Board of Directors, and he/she acknowledged that the execution of the foregoing  
instrument was the free act and deed of said corporation.

Sheri M. Robinson  
Notary Public

[NOTARIAL SEAL]

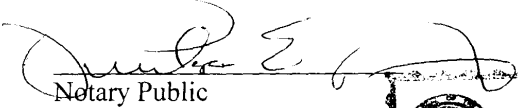
My commission expires: \_\_\_\_\_

NOTARIAL SEAL  
SHERI M. ROBINSON, NOTARY PUBLIC  
STATE OF DELAWARE  
Date of Appointment: 10-09-00  
My Commission Expires: October 9, 2004

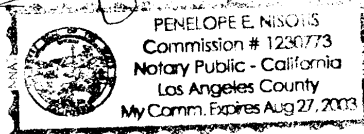
STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On this 20<sup>TH</sup> day of August, 2001 before me personally appeared STEVEN CIMALORE, to me personally known, who, being by me duly sworn, says that he/~~she~~ is the VICE PRESIDENT of WILMINGTON TRUST COMPANY, that said instrument was signed on behalf of said Delaware banking corporation by authority of its Board of Directors, and he/~~she~~ acknowledges that the execution of the foregoing instrument was the free act and deed of said Wilmington Trust Company.

  
Notary Public

[NOTARIAL SEAL]



My commission expires: AUGUST 27, 2003



Schedule I

Eight (8) SD-50 diesel electric locomotives

<u>Original CNW Number</u>	<u>Current UP Number</u>
7005	5065
7012	5072
7015	5075
7016	5076
7017	5077
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